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18th CONGRESS,
1st SESSION.

MESSAGE

FROM THE

PRESIDENT OF THE UNITED STATES,

IN RELATION TO THE

Claim of Virginia,

ON ACCOUNT OF

Interest paid by that State, on moneys borrowed for the payment of the Militia thereof,

FOR SERVICES RENDERED THE UNITED STATES.

APRIL 13, 1824.

Printed by order of the Senate of the United States.

WASHINGTON:

PRINTED BY GALES & SEATON.

1824.

MESSAGE.

TO THE SENATE OF THE UNITED STATES:

The Executive of Virginia, having requested payment of the amount of interest, paid by the state, for moneys borrowed and paid by it, for services rendered by the militia, in the late war, and such claim not being allowable, according to the uniform decisions of the accounting officers of the Government, I submit the subject to your consideration, with a report from the Secretary of War, and all the documents connected with it.

The following are the circumstances on which this claim is founded. From an early stage of the war, the squadrons of the enemy entered occasionally the Chesapeake bay, and, menacing its shores, and those of the principal rivers emptying into it, subjected the neighboring militia to calls from the local authorities, for the defence of the parts thus menaced. The pressure was most sensibly felt in 1814, after the attack on this city, and its capture, when the invading force, retiring to its squadron, menaced alike Baltimore, Norfolk, and Richmond. The attack on this city had induced a call, by the Department of War, for large detachments of the militia of Pennsylvania, Maryland, and Virginia, which, being collected in this quarter, and the enemy bearing, in the first instance, on Baltimore, were ordered to its defence. As early as the 31st of August, notice was given by the Secretary of War, to the Governor of Virginia, of the position of the enemy, and of the danger to which Richmond, as well as Norfolk and Baltimore, were exposed, and he was also authorized and enjoined to be on his guard, prepared at every point, and in every circumstance to meet and repel the invaders. This notice was repeated several times afterwards, until the enemy left the bay, and moved to the south.

In the course of the war, the state had augmented its taxes to meet the pressure; but, the funds being still inadequate, it borrowed money to a considerable amount, which was applied to the payment of the militia, for the services thus rendered. The calls which had been made, except for the brigades in this quarter, and at Norfolk, being made by the state, the settlement with those corps, and the payment for their services, were made, according to the rules and usage of the Department, by the state, and not by the United States. On the settlement by the state, after the peace, with the accounting officers of the Government, the reimbursement of the interest, which the state

had paid, on the sums thus borrowed, and paid to the militia, was claimed, but not allowed, for the reason above stated. It is this claim, which I now submit to the consideration of Congress.

It need scarcely be remarked, that, where a state advances money for the use of the General Government, for a purpose authorized by it, that the claim for the interest on the amount thus advanced, which has been paid by the state, is reasonable and just. The claim is the stronger under the circumstance which existed when those advances were made, it being at a period of great difficulty, when the United States were compelled to borrow very large sums, for the prosecution of the war. Had the state not borrowed this money, the militia, whose services have been recognized since, by the nation, must have been disbanded, and the state left without defence.

The claim is, in my opinion, equally well founded, when a state advances money which it has in its treasury, or which it raises by taxes, to meet the current demand.

In submitting this claim to your consideration, it is proper to observe, that many other states have like claims with those of Virginia, and that all those similarly circumstanced should be placed on the same footing. I invite your attention to a principle, which is deemed just, and with the view, that the provision which may be made respecting it, may be extended alike to all the states.

JAMES MONROE.

DEPARTMENT OF WAR,
April 9th, 1824.

SIR: In obedience to your order, I herewith enclose copies of the correspondence between this Department and the Governor of Virginia, in relation to the militia called out for the defence of that state in the fall of 1814; and a report from the Third Auditor of the Treasury, in relation to interest on the advances for militia services during the late war.

It may be proper to remark, that, in auditing the accounts of the States, for the service of the militia called out by their authority, during the late war, no account has been allowed, but in cases where the militia had been called out, either to repel actual invasion, or under a well founded apprehension of invasion. It may also be proper to state, that the states which were exposed to the attacks of the enemy almost invariably claimed further protection from the Goverment than was found practicable, under the embarrassment of the country, to extend to them.

It will be seen, from the report of the Auditor, that interest has been allowed in no case to the states for advances to their militia called out by the authority of the states. The payment of interest to the states of Pennsylvania and New Jersey, was on a previous agreement by the Government, and for the purpose of paying militia called out by authority of the Union, and not of the states, and for the payment of which the states were no ways liable.

I have the honor to be,
Your obedient servant,

J. C. CALHOUN.

The PRESIDENT of the UNITED STATES.

Correspondence with the Governor of Virginia.

WAR DEPARTMENT,
31*st August*. 1814.

SIR: We have this moment received information, the correctness of which is not doubted. that the enemy evacuated Nottingham yesterday at ten o'clock. The barges moved down about 4 o'clock. It is believed that they debarked from Benedict last evening and this morning. I give you this notice as early as possible, as it may have a bearing on your arrangements for the defence of your section of the country.

I have the honor, &c.

JAMES MONROE.

His Ex. JAMES BARBOUR,
Governor of Virginia.

WAR DEPARTMENT,
September 1, 1814.

SIR: The enemy have embarked on board their vessels in the Patuxent, and will. as I presume. in execution of their desolating system, proceed immediately to some other of our principal towns. Norfolk is known to be one on which they have fixed their attention; Baltimore and Richmond are others. Against which they will move, in the first instance, will not be known, until they land their men in a marked direction towards it. Be on your guard, prepared at every point, and in all circumstances, to repel the invaders.

I have the honor, &c.

JAMES MONROE.

His Ex. JAMES BARBOUR,
Governor of Virginia.

WAR DEPARTMENT,
September 5, 1814.

SIR: I am sorry to inform you that the enemy's squadron have passed our battery at the White House, on the Potomac river. It was impossible to collect such a number of heavy pieces, in the present state of affairs here, as to prevent it. The fleet which had descended the Patuxent, with the troops on board, lately employed against this city, and a reinforcement since received, which had passed at the mouth of that river, on account (as it was supposed) of the detention of the squadron, descended the bay yesterday, either

for the Potomac, or some other object lower down the bay. Hearing, as it doubtless will, immediately, that their squadron has passed our battery, it may proceed to such other object, which must be, I presume, if it has one in the bay, either Norfolk or Richmond. I hasten to give you this intelligence, that you may be prepared to meet the enemy, should they present themselves at either place.

I have the honor, &c.

JAMES MONROE.

His Ex. James Barbour,
Governor of Virginia.

War Department,
September 19th, 1814.

Sir: The enemy has passed down the Bay, and out of sight, below Annapolis. It may be presumed, that they will attack either Richmond or Norfolk. The force collected near Richmond, is, I trust, fully adequate to its defence. Norfolk, General Porter writes me, is not so well prepared. Cannot some additional force be thrown in, to its aid? I fear the reinforcement from North Carolina will not arrive there in time.

I have the honor, &c.

JAMES MONROE.

His Ex. James Barbour,
Governor of Virginia.

War Department,
October 2, 1814.

Sir: The recent alarming movements of the enemy, many of his vessels being at this time at the mouth of the Potomac, and the accounts that Lord Hill had arrived, or might soon be at Bermuda, with powerful reinforcements, have induced the President to make additional requisitions for militia. I have, therefore, to request your Excellency to call into the service of the United States, and put in march for this city, as soon as practicable, all the state's quota of militia, infantry, and riflemen, detatched conformably to the requisition from this Department, of July 4th, 1814. within the counties adjacent to, and west of the Blue Ridge, and not now in the field, to the amount of four thousand, properly organized and officered, including in this arrangement Brigadier General Madison, and the troops now out under his command. One other brigadier general will be required, making two brigades of two thousand each. It is desirable that as great a proportion of this force as practicable should be riflemen, and such of the infantry as have rifles should march with them, in preference to muskets.

Much attention will be necessary, to prevent too extensive baggage trains; no more than one wagon being allowed to a company of one hundred men.

As this force will be marched in two distinct commands, no major general will be required. I have to request your Excellency to put into their movements all the expedition practicable, and to accept the new assurances of my greatest respect.

JAMES MONROE.

P. S. To ensure the earliest services of the troops now out, I have given an order, directing General Madison to march his brigade to this place without loss of time.

His Excellency JAMES BARBOUR,
Governor of Virginia.

TREASURY DEPARTMENT,
Third Auditor's Office, April 8, 1824.

SIR: I have the honor, conformably to your direction, to furnish the subjoined estimate of the probable amount which would be allowable for interest, were the principle of paying interest to be assumed by the United States, upon the claims of the several states for disbursements for military services and supplies, during the late war with Great Britain.

This estimate has been prepared from a very cursory view of the accounts, and, in a great measure, upon supposed data, and is, consequently, entitled to but little reliance. To have arrived at any thing like accuracy, would necessarily have consumed a considerable length of time, and, with respect to large portions of the claims, information as to dates, which cannot be obtained therefrom.

The interest has been computed at the rate of *six* per cent. and on such of the sums claimed as have either been, or are likely to be, admitted to the credit of the respective states specified, in pursuance of the assumptions already made on the part of the United States.

The claim of the state of Connecticut extends to expenditures, of large amount, not yet sanctioned by the General Government; and interest on those expenditures has, therefore, not been taken into the estimate. Interest on a claim rendered by the state of Massachusetts, amounting to nearly $850,000, has been left out, for a similar reason. The interest on the aggregate of this latter claim would be, at least, half a million of dollars, and in like proportion, of course, for any part thereof which may eventually be admitted.

Pennsylvania and Connecticut appear to be the only states, whose claims included interest.

With great respect,
Your most obedient servant,
PETER HAGNER, *Auditor.*

The Hon. J. C. CALHOUN,
Secretary of War.

ESTIMATE.

South Carolina, - - -	$ 94,526
Virginia, - - - -	254,148
Maryland, - - - -	101,305
Delaware, - - - -	11,950
Pennsylvania, - - - -	53 768
New York, - - - -	39.372
Connecticut, - - - -	9,000
Rhode Island, - - - -	8,619
New Hampshire, - - -	3,890
Vermont, - - - -	1,755
	$ 578,333

TREASURY DEPARTMENT,

THIRD AUDITOR'S OFFICE, *April* 1, 1824.

SIR: I have the honor, in compliance with your request, to hand you the copies of two accounts allowed for interest on loans obtained by states, for account of the United States: the one, that of the state of Pennsylvania, and the other of the state of New Jersey; these comprise the whole allowances, for that object, which I have been enabled to find on the books of this office.

With great respect, your obedient servant,

PETER HAGNER, *Auditor.*

The Hon. J. C. CALHOUN,

Secretary of War.

THE UNITED STATES, TO THE STATE OF PENNSYLVANIA, DR.

For interest paid by the Commonwealth of Pennsylvania, to the several Banks, on the loan of $300,000, made to the United States as follows, viz:

Bank of Pennsylvania, on	$ 30,000	from 10th	June,	1815,	to 31st March,	1817, -	$ 3,250 00
Farmers' and Mechanics' Bank,	40,000	15th	May,	do	do	do - -	4,500 00
Bank Northern Liberties,	20,000	13th	do	do	do	do - -	2 259 17
Mechanics' Bank,	50,000	15th	do	do	do	do - -	5.625 00
Philadelphia Bank,	50,000	13th	do	do	do	do - -	5,650 00
Commercial Bank,	40.000	15th	do	do	do	do - -	4.506 67
Schuylkill Bank,	20 000	16th	do	do	do	do - -	2.250 00
Bank North America	50,000	15th	do	do	do	do - -	5.630 13
							$33.670 97

I certify that the above statement exhibits the true amount of moneys paid by the Commonwealth of Pennsylvania, for interest, as charged therein. Witness my hand, and seal of office, the 10th April, 1817.

GEO. BRYAN, *A. G.*

Interest allowed.
GEO. GRAHAM.

TREASURY DEPARTMENT,
Third Auditor's Office, 21*st April*. 1817.
PETER HAGNER, *Auditor*.

TREASURY DEPARTMENT,
Second Comptroller's Office, 22*d April*, 1817,
Admitted and Certified.

Received, 23d April, 1817, warrant No. 263, for thirty-three thousand six hundred and seventy dollars, ninety-seven cents, to be forwarded to William Findlay, at Harrisburg, Pennsylvania.

TH. T. TUCKER.

$33,670 97 *Treasurer United States.*

The United States,

To the Governor of the State of New Jersey, Dr.

(To be transmitted to Mahlon Dickerson, Esq.)

To interest on fifty thousand dollars, loaned to the Paymaster General, from the 24th of June, 1815, to the 30th of April, 1816, - - - - - - $2,557 00

Ten months, and 7 days, at 6 per cent. $2,558 33

Approved,

W. H. CRAWFORD.

Received, May 1st, 1816, of Tobias Lear, A. W. D. a warrant, No. 4,299, issued by the Secretary of War, this day, for twenty-five hundred and fifty-eight dollars, thirty-three cents, to be transmitted, by me, to His Excellency M. Dickerson, Governor of New Jersey, at Trenton.

TH. T. TUCKER,

$2,558 33 *Treasurer United States.*

Department of War,

March 24th, 1815.

Sir: I have the honor to acknowledge the receipt of your letter, enclosing a copy of the act of the General Assembly of Pennsylvania, entitled "An act authorizing the Governor to negotiate a loan for paying the militia and volunteers of this state, late in the service of the United States," passed the 11th of March, 1815. This communication has been submitted to the President, who authorizes me to express his high sense of the uniform patriotism, and public spirit, of the Legislature of Pennsylvania; and to accept the loan of $300,000, or such part of that sum as may be necessary for the contemplated object, at an interest of six per centum per annum, to be reimbursed at any time within three years, upon the condition prescribed in the act, and to give you an assurance that the sum so loaned, shall be applied to the payment of the militia and volunteers of Pennsylvania, late in the service of the United States.

I cannot allow this opportunity to pass, without an expression of the personal gratification, which, as a grateful citizen of Pennsylvania, I have derived from contemplating the exemplary conduct of the state, in its relations to the internal government, during your administration.

A. J. DALLAS.

His Excellency S. SNYDER,
Governor of Pennsylvania, Harrisburg.

DEPARTMENT OF WAR,
30*th March*, 1824.

A true copy from the records of the Department.

C. VANDEVENTER, *C. C.*

HARRISBURG, *March*, 1815.

SIR: I enclose to you a copy of an act passed by the legislature of this state, at their late session, authorizing the Governor to negotiate a loan for paying the militia and volunteers of this state, lately in the service of the United States; the motive, for this law, is too obvious to need any elucidation. If the Government of the United States is not prepared to pay those troops, I shall be happy to learn from you, whether that Government will accept the loan from Pennsylvania, on the terms and conditions prescribed in the law.

I have the honor to be, very respectfully,
Your obedient servant,
SIMON SNYDER.

SECRETARY AT WAR.

An act authorizing the Governor to negotiate a loan for paying the militia and volunteers of this state, late in the service of the United States.

SEC. 1. *Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania, in General Assembly met, and it is hereby enacted by the authority of the same*, That the Governor be, and he is hereby, authorized to negotiate a loan or loans with any of the incorporated banks of this state, for such sum or sums of money as may be necessary to pay the militia and volunteers of this state, late in the service of the United States, not exceeding three hundred thousand dollars, at an interest not exceeding six per centum per annum, to be reimbursed at any time within three years.

SEC. 2. *And be it further enacted, by the authority aforesaid*, That the Auditor General shall ascertain the balance due by the United States to the militia and volunteers aforesaid, and make report thereof to

the Governor, who is hereby authorized and required, in the name of this commonwealth, to loan to the Government of the United States the sum mentioned in the foregoing section, or such part thereof as may be necessary, on the condition, and with the assurance, that the sum, so loaned, shall be applied to the payment of the militia and volunteers aforesaid.

Sec. 3. *And be it further enacted, by the authority aforesaid,* That the Governor be, and he is hereby, directed to lay before the Legislature, within the first week of the next session, a report of his proceedings under this act.

JACOB HOLGATE,
Speaker of the House of Representatives.
JOHN TOD,
Speaker of the Senate.

Approved, the eleventh day of March, one thousand eight hundred and fifteen.

SIMON SNYDER.

PENNSYLVANIA,
Secretary's Office, March 14, 1815.

I certify the above and foregoing to be a true copy of the original deposited among the rolls in this office.

N. B. BOILEAU, *Secretary.*

DEPARTMENT OF WAR,
May 31*st*, 1815.

SIR: I have the honor to acknowledge the receipt of your letter, dated the 22d inst.

It will be an accommodation to this department, that the militia of New Jersey, called into the service of the United States, should be paid out of the fund which the Legislature has authorized you to procure. If, therefore, you will be so good as to inform me when the money is ready to be distributed, the paymaster of the army will give the necessary directions for making the payment, in a form to be recognized here, upon the regular pay rolls.

The amount thus advanced by the state, will be considered as a loan to the United States, bearing six per cent. per annum interest, and reimbursable in one year.

The necessity of ascertaining the state of our appropriations for the payment of the troops, before your offer was accepted, will be deemed, I hope, a sufficient apology for not answering your letter sooner.

A. J. DALLAS.

His Excellency W. PENNINGTON,
Governor of New Jersey.

DEPARTMENT OF WAR,
30th March, 1824.

A true copy from the records of the department.

C. VANDEVENTER, *C. C.*

TRENTON, *22d May*, 1815.

SIR: The Legislature of New Jersey, in February last, passed a law authorizing me to borrow, and loan to the United States, fifty thousand dollars, for the purpose of paying off the militia of New Jersey, who served last summer and fall, in the 4th military district, on which I immediately wrote to Colonel Monroe, the then Secretary of War, informing him of the power given me, and of my readiness to execute it, in case it should meet the approbation of the President. As I have received no answer to this letter, I am apprehensive that it may have been mislaid, or have miscarried.

As the soldiers are really in want of the money, many of them being poor, and, also, as the enemies of the administration are taking advantage of this circumstance, to excite discontent, I take the liberty of calling your attention to the subject. I can obtain the money, in case it should be thought proper to use it in the way suggested.

I am, with great respect,

Your very humble servant,

WILLIAM S. PENNINGTON.

The Hon. A. J. DALLAS,
Acting Secretary of War.

TRENTON, *February* 21, 1815.

SIR: It is understood that the militia of this state, who served last fall under General Elmer, at Billingsport, on the Delaware river, have not received the pay due from the United States; in consequence of which, the Legislature of this state, by an act passed the 18th instant, authorized me to obtain, by loan, money sufficient to pay the said militia, not exceeding fifty thousand dollars; and to loan the same to the Government of the United States, for the purpose of paying the said militia, on condition that it shall be reimbursed to the state in one year, with interest.

Should the President of the United States be of opinion, that a convenience will arise from carrying into effect the proposed measure, I can procure the money, and will at any time be ready to enter into such arrangements, as the nature of the transaction calls for. Accept, Sir,

Assurance of high respect.

WILLIAM S. PENNINGTON.

The Hon. JAMES MONROE.

TRENTON, *25th April*, 1815.

DEAR SIR: Lieutenant Colonel Reynolds, who acted last fall, as Deputy Quartermaster-General to the militia of New Jersey, serving in the 3d Military District, informs me, that he finds it impossible to close his quartermaster's account, for the want of funds; and requests me to write to you on the subject. The funds wanted, are from two to three thousand dollars. I understand Colonel Reynolds, that the Quartermaster General in New York has had direction from the commanding General of the 3d Military District, and also from the War Department, to furnish him with the necessary funds; but has put him off on various pretexts, from time to time, and finally came out with the insolent observation, that New Jersey should loan to the General Government as New York had done. This subaltern arrogance makes it necessary to apply to the head of the Department of War. Nor would I trouble you on this occasion, was it not that Colonel Reynolds is exceedingly embarrassed by the frequent calls for small sums. Great convenience will arise to him, from being able to meet his engagements; the smallness of the sum precludes the idea that the delay arises from a deficiency of funds.

I am, with great respect,
Your very humble servant,
WILLIAM S. PENNINGTON.

The Hon. A. J. DALLAS.

SENATE CHAMBER, *March* 30, 1824.

SIR: We have been made the organ of the Virginia Delegation, who have been specially charged by the Legislature to use our best endeavors to obtain a speedy adjustment of the claims of Virginia against the Government of the United States, to bring that subject before you.

We esteem ourselves fortunate in finding it necessary to call your attention to one item only—the interest paid by Virginia on loans negotiated by her, to meet the expenses incurred during the last war. In forbearing to press any other part of the claim, (for example, the whole interest on all her advances) we find a sufficient motive in the hope that, on the one now presented, the Government here will have no difficulty in coming to a speedy and favorable decision.

As we confide exclusively in the justice of our claim, we intentionally forbear, however grateful the retrospect may be, to make an ostentatious parade of the zeal with which Virginia devoted her citizens and treasure to the vigorous prosecution of the war. This is willingly left to the province of history.

To the notes heretofore presented by the agents of Virginia on this subject, we beg leave to add that of Mr. Johnson, with the documents referred to by him. These contain so full and satisfactory an exposition of the merits of our claim, as to relieve us from the necessity of adding thereto.

We cannot, however, forbear subjoining a few observations. Virginia asks only an equal measure of justice with any other state in the confederacy. Had the Government of the United States fulfilled its obligations to her, the necessity of this application would never have existed. Virginia, by the embarrassment of the Government here, was constrained to borrow that money, which, by the Government's own acknowledgment, indicated in its repayment, should have been furnished, in the first instance, by the Government itself. That money cannot be borrowed without interest, is a truth too obvious to be enlarged upon. And hence the interest constituted an essential part of the advance. On what ground will the distinction rest, if any be attempted, between the principal and the interest? The general usage of the Government, not to pay interest, will scarcely be urged in this case. The readiness of Government to discharge its debts, is the foundation on which it rests. That is the presumption. The *fact*, in the present case, is an admission of inability to pay. Where the reason ceases, so ought the law; and, on this rational principle, has the Government acted, both in regard to individuals and state governments. In the case of contractors, during the war, it is understood that they received indemnity, both as it regard-

ed damages and interest for non-payment. In Pennsylvania, a loan was negotiated by the government of that state, nominally, for the General Government, but substantially for herself. Pennsylvania paid the interest—the Government returned it. The Executive of New York borrowed large sums for the defence of New York. The Government here paid the interest. The Executive of Virginia did the same. How can the Government here refuse the interest? Whether these loans, in either or both cases, were made by authority, does not, in the slightest degree, touch the question. The obligation to indemnify existed before, and independently of the authority given. The power in writing, to negotiate the loan, if given at all, is the mere evidence of a pre-existing obligation, but does, by no means, increase it. It is not the written bond that creates the moral obligation on the debtor to pay the debt, but a pre-existing consideration, of which the bond is merely the evidence. But we forbear to enter further into the discussion, as we doubt not your experience and better judgment will amply compensate every omission. Should an insuperable difficulty to a favorable decision present itself to your mind, in the progress of your deliberation, we beg you will have the goodness to present the subject to the President. If the claim could be favorably decided, it is desirable that it should be done immediately, as $50,000 are for the benefit of the University of Virginia. Some assurance of the payment of which is indispensable to the successful commencement of that institution, a visitor of which is now here, who will leave Washington, on Thursday, to attend a meeting of the visitors at the University, on Monday next.

We offer you our best respects,

JAMES BARBOUR.
JOHN TAYLOR.

The Secretary of War.

Richmond, *March 23d*, 1824.

Dear Sir: I have examined, with as much care as the time and my professional avocations would allow, the papers submitted to me, relative to the claim of this commonwealth upon the United States, for reimbursement of interest paid upon several loans, negotiated during the late war: and the result is the clearest conviction of my mind, that nothing is necessary but to make the claim clearly understood, in order to render its justice obvious, and the propriety of allowing it, unquestionable.

I am not sufficiently acquainted with the organization of the Departments of the General Government, or with the laws which govern them, to decide, whether it is in the power of the Secretary of War, to authorize the payment of the claims. Perhaps it is not; it may be, that the Government, which does not ordinarily pay interest, has not given to its executive departments, any power, to al-

low a claim, which, whatever may be its real character, assumes in any manner the form of interest. However this may be, it would probably be best, that the claim in the shape in which we now place it, should be distinctly submitted to the War Department; and if it be there disallowed, that then an appeal be made to the justice of Congress. I suggest this course, because I believe the nature and extent of our claim has never yet been explained to any department of the General Government; and because, if we go before Congress, we should go with conclusive evidence, that if the claim be just, the law for its payment is necessary. I do it too, in the hope, that by explaining the claim to the Department, we shall satisfy its head, that it deserves his countenance, if it cannot receive his legal sanction.

I will now submit to you, as briefly and as intelligibly as I can, the view which I have taken, of the extent and character of our claim.

With the very commencement of the war, began the advances of this state, to defray the expenses of the militia, called into the service of the United States. By reference to the general order, issued by the Governor, for the detail and march of the detachment ordered to Norfolk, in July 1812, and of the detachment ordered to the north-western frontier, in September of the same year, it will be seen, that he authorizes drafts on the executive department of this commonwealth, for certain expenses of the equipment and march to the place of rendezvous. These general orders are in pages 23 and 24, of the Journal of the House of Delegates, for the session of 1812-13.

On the 12th of October, 1812, these advances had amounted to $17,751 37; on the 26th of February, 1813, to $31,583 09; and on the 24th of May, 1813, to $94,847 88. At these several periods, accounts of these advances were presented to the War Department, for liquidation and payment.

A difference of opinion arose between the Department of War, and this government, as to the principles on which these accounts were to be settled. The claims of Virginia were very ably sustained at the seat of the General Government, by Mr. Mercer and Mr. Campbell, charged with that duty by our executive; and their views of the subject, with a statement of the points in difference, and of our accounts furnished, will be found in the Journal of the House of Delegates, for the session of May 1813, from page 13 to 36.

This government maintained the simple, and one might have said, the self-evident proposition, that the Government of the United States was bound to defray all the expenses attending the militia called out for their service, while the War Department of that Government held, that a part of them should be borne by the states.

The discussions upon this subject left the principles uncertain, on which the accounts were to be adjusted, and left the accounts themselves unsettled and unpaid. They did not, however, leave unsettled the principles which governed this commonwealth, from the moment

when the declaration of war proclaimed, that the honor and interests of the Union were to be protected by the sword, to the hour when the voice of Peace assured us, that this object had been happily attained. They did not, in the slightest degree, impair the promptitude, with which the requisitions of the General Government were constantly complied with; the vigilance with which the danger from the common enemy was anticipated and guarded against the liberality with which money was advanced, to defray all necessary expenses, or the loyalty with which the whole resources of the commonwealth, were devoted to the general defence.

Relying upon the justice of the United States for ultimate indemnity, and resolved to do her duty, whether indemnified or not, Virginia continued her advances for defraying the expenses of the war; so that, in the month of December, 1813, they amounted to $382,141 78; in February 1814, to $444,049 56; in November 1814, to $913,599 51; and, in the end, to not much less than $2,000,000.

Of all this not one cent was refunded, till one year after the conclusion of the war, except $100,000 in Treasury notes, furnished in the autumn of 1814, when this state had in the field men more than one-fourth of all its militia.

Of these advances the sum of $1,781,330 01 has been liquidated, and paid by the Government of the United States. The payments, except the $100,000 above mentioned, being made from the 29th of February, 1816, to the 22d January, 1823.

Some further claims remain suspended for the procurement of more satisfactory vouchers, of the extent whereof I am not informed, and some perhaps have been finally disallowed.

To meet these advances by Virginia, her ordinary revenue was by no means adequate. It had been fully competent, however, for years, to defray the expenses of her peace establishment, and would have sufficed for a state of war, if the general government, fullfiling the great object of its creation, had provided sufficiently for the common defence, and defrayed all its charges. But a portion of those charges falling upon this Government, we were compelled, both to raise our taxes, and resort to loans.

Accordingly, by the act imposing taxes for the support of Government, for the year 1813, our taxes were raised about one third, as will be seen by comparing the act of the session of 1812-13, ch. 1, with the act of the preceding session, ch. 1, also by another act of the session 1812-13, ch. 9. A loan of $350,000 was authorized at a rate of interest not exceeding 6 per cent.

Under this act, the sum of $350,000 was borrowed from the bank of Virginia, on the 29th of March, 1813, at an interest of 6 per centum per annum, for the period of nine months; and this period was afterwards protracted to the 29th of March, 1814. Every dollar of this money was applied to defray the war expenses, with which the United States were justly chargeable.

Again, at the next session 1813-14, our taxes were increased upon the old subjects about 30 per cent, and taxes imposed on many new subjects. At this session also, a law was passed authorizing another loan of $750,000, at a rate of interest not exceeding 7 per cent. See the sessions, acts 1813, ch. 1, pa 1, and ch. 27, pa. 63.

This loan was negotiated partly with the Bank of Virginia, and partly with the Farmers' Bank of Virginia, $350,000 was borrowed of the former, and applied to the repayment of the same sum borrowed the preceding year, and $400,000 was borrowed of the latter, of which $313,665 68 was applied to pay this state's quota of the direct tax, which had been assumed, and the balance was applied to defray the war expenses.

Notwithstanding the large increase of our taxes, and the sums of money thus borrowed, our Treasury was exhausted by the autumn of this year, and to meet the heavy expenses which the imminent danger of that period made necessary, our Executive, upon its own responsibility, borrowed money from the Banks, and convened the Legislature to provide for the emergency. At its session in November, 1814, it authorized a loan from the Farmers' Bank of Virginia of $200,000, at an interest of 7½ per cent. to be reimbursed out of the revenue of the next year. See ch. 15, pa. 56. This loan was accordingly made, and the money applied, to refund that borrowed by the Executive, and to defray war expenses.

At this session, the taxes were further raised; something being added to some of the old subjects, and many new subjects being introduced, and two other acts passed authorizing loans. One authorized a loan of $800,000, in anticipation of the revenue of 1815 and 1816, at an interest not exceeding 7 per cent.; the other authorized a loan of $1,100,000, at an interest not exceeding 8 per cent. per annum. See ch. 16. p. 57, and ch. 17, p. 58.

Under the former, $800 000 were borrowed of the Farmers' Bank of Virginia at 7 per cent., and under the latter, there was borrowed of the literary fund $6,200 at 8 per cent; and of the Farmers' Bank two sums, one of $536,052 19, the other of $100,000, these two sums at an interest of 6 per cent.

The Auditor's statement A, shews how much interest has been paid upon these loans, and how much of the principal has been reimbursed. It shews that the loans of $200,000, $800,000, and $336,052 19, were fully reimbursed in the year 1816. The loan of $100,000 in the year 1817, that of $6,200 in the year 1818. That of the loan of $350,000, only $120,000 have yet been reimbursed. and of the loan of $400,000, $311,000 have been reimbursed; and it shows that the whole amount of interest paid by this commonwealth upon these loans, up to the end of 1823, is $486,853 24.

The Commonwealth can have no just claim to refund the whole of this interest. So much as accrued upon the $313,665 68, applied to pay the State's quota of direct tax, ought, perhaps, not to be reclaimed. There is some strong reason for contending that the interest, even upon this sum, which accrued after the first year, should

be refunded by the United States; because it is very manifest that the increased revenue of the state, arising from the war taxes, would have redeemed this loan within a twelve month, if it had not been consumed in those expenses, which the United States should have borne; so that, although this loan was not made to meet these expenses, it was certainly continued in consequence of them. But this is debatable ground, and I would not advise that it should be occupied. Neither should we claim the refunding of interest paid after the principal advanced had been refunded to us; nor should we at any time, claim the refunding of interest paid upon any sum beyond the amount of advances due to us.

Holding these principles in view, I have compiled, from the documents furnished me, a statement, marked No. 1, shewing the amount of our claim for interest, on account of the advances already liquidated and paid, to be $232.702 67. I believe the calculations are correct; and I am well satisfied that the principles on which this statement is made, must be sanctioned by the justice and good sense of all mankind.

I have made another statement, marked No. 2, which will show the probable amount of our advances to the General Government, at various times, within the period over which the account No. 1 extends; and will show that the sums, on which we charge for interest paid, have, for the greater part of the time, fallen short, by several hundred thousand dollars, of the amount of our advances; and have, at no time, exceeded that amount; unless, perhaps for a few months of the year 1813, between the periods of borrowing and disbursing the $350,000.

The chief argument to sustain this claim, is to be found in the narrative which explains it. This shows that we are not asking usance for the moneys advanced by us, but simply the return, without interest, of the specific sums paid out of our Treasury for the benefit of the United States. Our advances, it is true, were of two kinds: the one of principal, to defray the expenses as they accrued; the other of interest, to pay for the use of the money we had borrowed to meet these expenses. The former has been refunded to us, as far as the claims have been liquidated; whether the latter shall also be refunded, is the question to be considered.

In considering this question, I shall adduce no further evidence to prove that the sums borrowed, on which the interest in my statement, No. 1, is charged, were borrowed to meet the war expenses, which have been since acknowledged as a just charge against the General Government, and that they were faithfully applied to that object. Our journals and public offices abound with evidence upon this subject, which leaves no manner of doubt in relation to it. I shall take it for granted, and examine the question upon principle.

What then is the nature of our claim? Is it a claim for interest upon the moneys advanced by us, or is it for part of principle itself? It is, in truth, a claim for a part of the principal debt owing us by the government of the United States; for, although we ad-

vanced it in the name of interest on the money we had borrowed, it became, at the moment of the advance, a part of the principal sum due us from that Government. This is illustrated by familiar transactions between man and man. One pays for another his principal debt, with the interest that has accumulated on it: from the moment of the payment, the principal and interest unite in constituting a new debt, the whole of which, as regards the person who made the advance, is principal, and carries interest. So, one borrows from another a sum of money, and pays interest upon it. The borrower becomes the creditor of him, for whose use the money was borrowed, and the interest paid upon the loan, constitutes a principal debt to the borrower, and carries interest. These are principles perfectly familiar to our courts of justice, and are founded in no arbitrary enactment of the statutes, but in those perfect doctrines of the common law, based in common right, matured by the experience, and sanctioned by the wisdom of centuries. The rule of right must be the same between Governments. It cannot be pretended, that if Virginia had paid an hundred thousand dollars of the interest upon the United States' debt, her claim for reimbursement would have been a claim for interest upon her advances, or that it could have been refunded, upon the ground, that the Government does not pay interest.

These considerations are sufficient to shew, that our claim is not for interest upon advances, but for the principal itself. And the question recurs, whether it ought to be allowed by the Government of the United States?

It is difficult to draw any just distinction between those advances, which the Government of the United States has sanctioned and refunded, and those advances for interest upon the loans. We had no legal claim upon the Government of the United States for either. Neither advance was made under any previous contract with the United States, or any law authorizing it; for neither, could any action have been sustained; both were made under the pressure of uncontrolable circumstances, and in the confidence that the United States would indemnify us for them; and it is manifest, that both were applied to the use of the United States.

It may be said, that, if Virginia had advanced the money to the United States out of her own revenue, without resorting to loan, the United States would have received equal benefit, and, in that case, would not have been chargeable with interest. This may be allowed, if you please, without affecting this question: for the question is not, simply, what benefit the United States has received; but the question is, what burthen Virginia has borne in her services. If Virginia had possessed revenues to meet these expenditures, she would not have paid interest: not having the revenue, she has been obliged to borrow, and to pay interest.

But has not the United States, in truth, profited in her fiscal affairs, to much more than the amount claimed, by the money which Virginia borrowed?

It is well known, that the Government of the United States had

not revenues to meet the war expenses; that they resorted to loans; that, while Virginia was paying from six to eight per cent. for the money borrowed for their uses, they were paying much higher interest upon the money they borrowed for themselves; that they effected loans with much difficulty; and, that the embarrassments at their Treasury were very great. If, then, Virginia had not borrowed this money, the Government of the United States must have done so, and would have paid, no doubt, a much higher interest.

In this view of the subject, how is our claim for the refunding the interest paid, to be distinguished from the claim for refunding the principal? We advanced the principal, and it *paid* the United States the numerical sums advanced—this advance they refund to us. We advanced the interest—it saved to them a greater amount, which they must have paid for interest; and shall they refuse to refund us this?

The doctrine, that the Government does not pay interest, unless where it has been contracted for, has no application to this subject. It may suit very well, and be very politic, in relation to individuals, who became the creditors of the Government, without any contract for interest; who ought to be subjected to the necessity of a speedy settlement of accounts; whose claims the Government, it is to be presumed, are always ready to pay as soon as they may be liquidated, and from whose forbearance, in the general, the Government cannot profit. But, in a case like this, when the transaction is between governments, where nothing is asked but a return of actual advances, and where the Government of the United States has profited as well by the advance as by the forbearance, to answer the demand by the proposition that the Government does not pay interest, unless by contract, is mocking.

If there were any thing in the delays which have attended the settlement, from which blame could be imputed to Virginia, or from which it could be shewn that the Government of the United States had suffered injury, there might be some color in the objection to our claim. But the journals of our legislature, and the records of our departments, will shew, that these claims have been pressed, with at least as much earnestness and constancy, as was convenient to the General Government, and that so much as has been paid, was quite as soon as suited the fiscal resources of the General Government. Among other expedients proposed, to faciliate the settlement of these accounts, and to render their payment convenient to the United States, a law was passed in the session of 1814 & 15, authorizing the assumption of the state's quota of the direct tax of 1815, provided that payment would be accepted, in our advances. This was not agreeable to the General Government, the proposition was rejected, and the tax levied upon the people.

But the Government of the United States has not always acted upon the principle that they ought not to pay interest except when they had previously contracted for it. I have heard, though I cannot vouch for it, that there have been several exceptions to this rule. There is at least one example, which I think is entitled to great weight.

A.

Statement shewing the amount of Loans contracted by the Commonwealth of Virginia, during the late war; the amount of Interest paid thereon to the 30th September, 1823, and what portion of the Principal has been extinguished.

GENERAL ACCOUNT.

	Debt of $ 350,000.		Debt of $ 400,000.		Debt of $ 200,000.		Debt of $ 800,000.		Debt of $ 536,052 19.		Debt of $ 100,000.		Debt of $ 6,200.		Amount of principal paid in each fiscal year.	Amount of interest paid in each fiscal year.
	Principal paid.	Interest paid.	Principal paid.	Interest paid.	Principal paid.	Interest paid.	Principal paid.	Interest paid.	Principal paid.	Interest paid.	Principal paid.	Interest paid.	Principal paid.	Interest paid.		
From 1st Jan. to 31st Dec. 1813 - -	-	15,750 00	-	-	-	-	-	-	-	-	-	-	-	-	-	$ 15,750 00
From 1st Jan. to 30th Sept. 1814 - -	-	11,775 00	-	14,000 00	-	-	-	-	-	-	-	-	-	-	-	25,775 00
From 1st Oct. 1814, to 30th Sept. 1815 -	-	24,500 00	-	27,440 00	156,000 00	6,827 43	-	19,250 00	-	-	-	-	-	124 00	156,000 00	78,141 43
From 1st Oct. 1815, to 30th Sept. 1816 -	-	24,500 00	-	28,105 00	44,000 00	2,511 56	800,000 00	23,429 40	536,052 19	12,720 66	10,000 00	-	-	372 00	1,390,052 19	93,638 62
From 1st Oct. 1816, to 30th Sept. 1817 -	$ 25,000 00	23,779 68	25,000 00	23,938 08	-	-	-	-	-	-	90,000 00	1,033 37	-	744 00	140,000 00	50,489 15
From 1st Oct. 1817, to 30th Sept. 1818 -	2,200 00	639 32	50,000 00	3,465 78	-	-	-	-	-	-	-	-	6,200 00	166 68	58,200 00	3,811 78
From 1st Oct. 1818, to 30th Sept. 1819 -	-	45,115 00	60,000 00	41,043 32	-	-	-	-	-	-	-	-	-	-	60,000 00	86,158 32
From 1st Oct. 1819, to 30th Sept. 1820 -	33,000 00	20,682 64	17,000 00	17,797 50	-	-	-	-	-	-	-	-	-	-	50,000 00	38,480 14
From 1st Oct. 1820, to 30th Sept. 1821 -	60,000 00	16,571 80	4,000 00	17,290 00	-	-	-	-	-	-	-	-	-	-	64,000 00	33,861 80
From 1st Oct. 1821, to 30th Sept. 1822 -	-	8,650 00	60,000 00	7,513 00	-	-	-	-	-	-	-	-	-	-	60,000 00	16,163 00
From 1st Oct. 1822, to 30th Sept. 1823 -	-	24,130 00	95,000 00	15,454 02	-	-	-	-	-	-	-	-	-	-	95,000 00	39,584 02
	120,000 00	219,714,04	311,000 00	198,020 70	200,000 00	9,338 99	800,000 00	44,679 40	536,052 19	12,720 66	100,000 00	1,033 37	6,200 00	1,346 06	2,075,252 19	$486,855 24

AUDITOR'S OFFICE, *February* 4. 1824.

JOS. JACKSON, *Clerk of Accounts.*

DEBT of $350,000, *contracted with the Bank of Virginia, under Act of 22d February, 1813, and 1st February, 1814.*

						Interest paid	Principal paid
1813.	Dec. 29	Warrant for interest on $350,000, from 29th March to 29th December, 1813, at 6 per cent.				15,750 00	
1814.	June 30	Do.	do.	do.	do. 29th December, 1813, to 29th March, 1814, do.	5,250 00	
		Do.	do.	do.	do. 29th March to 29th June, 1814, at 7 per cent.	6,125 00	
1815.	January 7	Do.	do.	do.	do. 29th June to 29th December, 1814, do.	12,250 00	
	July 14	Do.	do.	do.	do. 29th December, 1814, to 29th June, 1815, at 7 per cent.	12,250 00	
	October 9	Do.	do.	do.	do. 29th June to 29th September, 1815, do.	6,125 00	
1816.	January 6	Do.	do.	do.	do. 29th September to 29th December, 1815, do.	6,125 00	
	July 24	Do.	do.	do.	do. 29th December, 1815, to 29th June, 1816, do.	12,250 00	
	October 3	Do.	do.	do.	do. 29th June to 29th September, 1816, do.	6,125 00	
	Nov. 7	Do.	do.	25,000	do. 29th September, 1816, to this date, do.	184 68	
		Do.	in payment of 25 certificates, at $1000 each,				25,000 00
1817.	Jan. 22	Do.	for interest on $325,000		from 29th September to 29th December, 1816, at 7 per cent.	5,687 50	
	May 16	Do.	do.	173,000	do. 29th December, 1816, to 29th March, 1817, do.	3,027 50	
	19	Do.	do.	152,000	do. do. do.	2,660 00	
	July 1	Do.	do.	2,000	do. 29th March to 29th June, 1817, do.	35 00	
	5	Do.	do.	2,000	do. do. do.	35 00	
	9	Do.	do.	313,000	do. do. do.	5,477 50	
	11	Do.	do.	4,000	do. do. do.	70 00	
	Sept. 29	Do.	do.	313,000	do. 29th June, 1817, to 29th September, 1817 do.	5,477 50	
	Oct. 9	Do.	do.	2,000	do. do. do.	35 00	
	15	Do.	do.	2,000	do. do. do.	35 00	
	Nov. 26	Do.	do.	2,000	do. 29th September, to the 1st instant, do.	12 42	
		Do.	in payment of 2 certificates of $1000 each,				2,000 00
1818.	Feb. 16	Do.	for interest on	3,000	from 29th March, 1817, to 29th December, 1817, at 7 per cent.	157 50	
1819.	March 16	Do.	do.	3,000	do. 29th December, 1817, to 29th December, 1818, do.	210 00	
	May 11	Do.	do.	320,000	do. 29th March, 1819. do.	33,705 00	
	Sept. 30	Do.	do	320,000	do. 29th March to 29th September, 1819, do.	11,200 00	
	Nov. 10	Do.	do.	3,000	do. 29th December, 1818, to the 4th instant,	178 48	
		Do.	in payment of 3 certificates of $1000 each,				3,000 00
1820.	May 1	Do.	for interest on	80,000	do. 29th September, 1819, to 4th November, 1819, at 7 per cent.	204 16	
		Do.	do.	290,000	do. 29th September, 1819, to 29th March, 1820, do.	10,150 00	
		Do.	in payment of 30 certificates of $1000 each,				3,000 00
	Sept. 29	Do.	for interest on	290,000	from 29th March to 29th September, 1820, at 7 per cent.	10,150 00	
	Nov. 9	Do.	do.	60,000	do. 29th September, to this date, do.	471 80	
		Do.	in payment of 60 certificates of $1000 each,				60,000 00
1821.	April 27	Do.	for interest on	230,000	from 29th September, 1820, to 29th March, 1821, at 7 per cent.	8,050 00	
	Sept. 29	Do.	do.	230,000	from 29th March to 29th September, 1821, do.	8,050 00	
1822.	May 14	Do.	do.	230,000	from 29th September, 1821, to 29th March, 1822, do.	8,050 00	
	Nov. 23	Do.	do.	230,000	from 29th March to 29th September, 1822, do.	8 050 00	
1823.	March 31	Do.	do.	230,000	from 29th September, 1822, to 29th March, 1823, do.	8,050 00	
	Sept. 29	Do.	do.	230,000	from 29th March to 29th September, 1823, do.	8,050 00	
						$219,714 04	120,000 00

DEBT of $400,000, *contracted with the Farmers' Bank of Virginia, under act of 1st of February*, 1814.

										Interest paid	Principal paid.
1814.	August 6	Warrant for interest on $400,000 from 4th February to 4th August, 1814, at 7 per cent.								14,000 00	
1815.	Feb. 4	Do.	do.	400,000	from 4th August, 1814 to 4th February, 1815, at 7 per cent.					14,000 00	
	August	Do.	do.	15,000	from 4th February to 4th August, 1815,				525 00		
		Do.	do.	20,000	do.	do.			700 00		
		Do.	do.	10,000	do.	do.			350 00		
		Do.	do.	309,000	do.	do.			10,815 00		
										12,390 00	
	12	Do.	do.	21,000	do.	do.				735 00	
	Sept. 4	Do.	do.	1,000	do.	do.				35 00	
	14	Do.	do.	8,000	do.	do.				280 00	
	Nov. 11	Do.	do.	10,000	do.	do.				350 00	
1816.	Feb. 5	Do.	do.	23,000	from 4th August, 1815, to 4th February, 1816				805 00		
		Do.	do.	6,000	from 4th February 1815, to 4th February, 1816				420 00		
		Do.	do.	10,000	from 4th August, 1815, to 4th February, 1816				350 00		
		Do.	do.	30,000	do.	do.			1050 00		
		Do.	do.	300,000	do.	do.			10,500 00		
										13,125 00	
	6	Do.	do.	7,000	do.	do.			245 00		
		Do.	do.	13,000	do.	do.			455 00		
										700 00	
	14	Do.	do.	1,000	do.	do.				35 00	
	19	Do.	do.	10,000	do.	do.				350 00	
	August 5	Do.	do.	23,000	from 4th February to 4th August, 1816				805 00		
		Do.	do.	35,000	do.	do.			1225 00		
		Do.	do.	296,000	do.	do.			10,360 00		
										12,390 00	
		Do.	do.	10,000	do.	do.				350 00	
	9	Do.	do.	3,000	do.	do.				105 00	
	23	Do.	do.	7,000	do.	do.				245 00	
	Sept. 19	Do.	do.	13,000	do.	do.				455 00	
	Oct. 22	Do.	do.	1,000	do.	do.				35 00	
	Nov. 4	Do.	do.	6,000	do.	do.			210 00		
		Do.	do.	3,000	do.	do.			105 00		
										315 00	
		Do.	do.	25,000	from 4th August to this date,					452 08	
		Do.	in payment of 25 certificates of $1,000								25,000 00
1817.	Feb. 5	Do.	for interest on 23,000 from 4th August, 1816, to 4th February, 1817,							805 00	

ACCOUNT—*continued.*

							Interest paid.	Principal paid
1817.	Feb. 6	Warrant for interest on	$ 15,000	from 4th August, 1816, to 4th February, 1817			455 00	
		Do. do.	172,000	do.	do.		6020 00	
							6,475 00	
	7	Do. do.	35,000	do.	do.		1225 00	
		Do. do.	10,000	do.	do.		350 00	
							1,575 00	
	8	Do. do.	99,000	do.	do.		3465 00	
		Do. do.	6,000	do.	do.		210 00	
		Do. do.	3,000	do.	do.		105 00	
							3,780 00	
	March 22	Do. do.	3,000	do.	do.		105 00	
	April 25	Do. do.	7,000	do.	do.		245 00	
	August 4	Do. do.	1,000	do.	to 4th August, 1817		70 00	
	11	Do. do.	35,000	4th February, 1817	do.		1,225 00	
		Do. do.	10,000	do.	do.		350 00	
							1,575 00	
	22	Do. do.	6,000	do.	do.		210 00	
	27	Do. do.	13,000	do.	do.		455 00	
	Sept. 20	Do. do.	1,000	4th February, 1816	do.		105 00	
	24	Do. do.	278,000	from 4th February, 1817	do.		9,730 00	
	Oct. 20	Do. do.	3,000	do.	do.		105 00	
	Nov. 4	Do. do.	35,000	from 4th August, 1817, to the 1st instant,			597 45	
		Do. in payment of	35 certificates of	$ 1,000				35,000 00
1818.	Feb. 4	Do. for interest on	$ 1,000	from 4th February, 1816, to 4th February, 1818			140 00	
	6	Do. do.	13,000	from 4th August, 1817,	do.		455 00	
		Do. do.	10,000	do.	do.		350 00	
							805 00	
	12	Do. do.	6,000	do.	do.		210 00	
		Do. do.	3,000	from 4th February, 1817	do.		210 00	
							420 00	
	April 1	Do. do.	3,000	from 4th August,	do.		105 00	
	7	Do. do.	1,000	do.	do.		35 00	
	May 27	Do. do.	1,000	do.	to this date,		56 88	
		Do. in payment of	1 certificate of					1,000 00
	July 29	Do. for interest on	1,000	from 4th February, 1816, to the 1st inst.			168 25	
		Do. in payment of	1 certificate of					1,000 00

ACCOUNT—*continued.*

			Interest paid.	Principal paid.
1818.	August 27	Warrant for interest on $ 10,000 from 4th February, 1818, to 1st July last,	283 90	
	Do.	in payment of 10 certificates of $ 1000		10,000 00
	31	Do. do. 3 do.		3,000 00
	Do.	for interest on $ 3,000 from 4th February, 1818, to 1st July, 1818 — 84 30		
	Do.	do. 10,000 do. to 4th August, 1818 — 350 00		
			434 30	
	Sept. 11	Do. do. 6,000 do. do.	210 00	
	Do.	do. 3,000 do. do.	105 00	
	Dec. 5	Do. in payment of 60 certificates of $ 1000		60,000 00
	Do.	for interest on 60,000 { $23,000 4th February, 1817 / $37,000 4th August, 1817 } to 1st November, 1818	6,008 32	
1819.	Feb. 10	Do. do. 10,000 from 4th August, 1818, to 4th February, 1819 — 350 00		
	Do.	do. 6,000 do. do. — 210 00		
			560 00	
	March 8	Do. do. 1,000 from 4th February, 1818 do.	70 00	
	May 11	Do. do. 241,000 from 4th August, 1817 do.	25,305 00	
	July 7	Do. do. 3,000 from 4th February, 1818 do.	210 00	
	August 8	Do. do. 10,000 from 4th February, 1819, to 4th August, 1819	350 00	
	Sept. 10	Do. do. 3,000 do. do.	105 00	
	30	Do. do. 241,000 do. do.	8,435 00	
	Nov. 6	Warrant, in payment of 2 certificates of $ 1,000		2,000 00
	Do.	do. 1 do. do.		1,000 00
	Do.	do. 10 do. do.		10,000 00
	Do.	for interest on 2,000 from 4th February, 1819, to 4th November, 1819, — 105 00		
	Do.	do. 1,000 do. 4th February, 1818, do. — 122 50		
	Do.	do. 10,000 do. 4th August, 1819, do. — 175 00		
			402 50	
	10	Do. do. 1,000 do. 4th February, 1819, do.	52 50	
	10	Do. in payment of 1 certificate of $ 1,000		1,000 00
	Dec. 13	Do. do. 3 do. do.		3,000 00
	Do.	for interest on 3,000 from 4th August 1819, to 4th November, 1819,	52 50	
1820.	May 1	Do. do. 241,000 do. 4th February, 1819, to 4th February, 1820, — 8,435 00		
	Do.	do. 3,000 do. 4th August, 1818, do. — 204 16		
			8,639 16	
	Do.	do. 3,000 do. 4th August, 1818, do.	110 84	
	Sept. 28	Do. do. 244,000 do. 4th February, 1820, to 4th August, 1820,	8,540 00	

ACCOUNT—*continued.*

					Interest paid.	Principal paid.
	Oct. 17	Warrant in payment of 4 certificates of $ 1,000 - - - - - - - - - -			- -	4,000 00
		Do.	for interest on 4,000 from 4th February, 1819, to 4th November, 1819, - - -	140 00		
		Do.	do. 4,000 do. do. do. - - - -	70 00		
					210 00	
1821.	April 30	Do.	do. 244,000 do. 4th August, 1820, to 4th February, 1821, - - - - -		8,540 00	
	Sept. 29	Do.	do. 244,000 do. 4th February, 1820, to 4th August, 1821, - - - - -		8,540 00	
1822.	Feb. 26	Do.	do. 60,000 do. 4th August, 1820, to 7th November, 1821, - - - - -		1,073 00	
		Do.	in payment of 60 certificates of $ 1,000 - - - - - - - - -		- -	60,000 00
	May 14	Do.	for interest on 184,000 from 4th August, 1821, to 4th February, 1822, - - - - -		6,440 00	
	Nov. 23	Do.	in payment of 65 certificates of $ 1,000 - - - - - - - - -		- -	65,000 00
		Do.	for interest on 65,000 from 4th February, 1822, to 20th November, 1822, - - - -		3,551 52	
		Do.	do. 119,000 do. do. 4th August, 1822, - - - - -		4,165 00	
1823.	March 31	Do.	do. 119,000 do. 4th August, 1822, to 4th February, 1823, - - - - -		4,165 00	
	April 19	Do.	in payment of 30 certificates of $ 1,000 - - - - - - - - -		- -	30,000 00
		Do.	for interest on 30,000 from 4th February, 1823, to 19th April, 1823. - - - - -		437 50	
	Sept. 29	Do.	do. 89,000 do. do. 4th August, 1823, - - - - -		3,115 00	
					$ 198,020 70	311,000 00

When, in the year 1790, the Government of the United States funded its own, and assumed the state debts, it took upon itself not only the principal but the interest of those debts. The state debts assumed were debts contracted for defence during the war of the Revolution.

Individuals held the obligations of the states, for principal sums bearing interest. The United States assumed both principal and interest, without its ever occurring to any one that they were departing from the principle of that rule, which protects Governments from interest not contracted for. The analogy between the state debt and interest then assumed, and the state debt and interest now in question, is complete for the purposes of this argument, and the only difference between them renders the present claim much stronger. The difference is, that the old debt was incurred by the state, for the defence of the state, by forces not subjected to the authority of the United States. The present debt was incurred for the common defence, by forces, either called out by orders of the General Government, or subjected to their authority as soon as they would receive them.

By the law, too, passed in the same year, 1790, for the settlement of the accounts between the United States and the several states, provision is made for paying interest on the balances which should be found due to the states.

Justice, reason, authority, concur in sustaining our claim; if any thing further were required to recommend it to the favorable attention of the United States, something perhaps might be found in the circumstance that Virginia has dedicated this claim to the encouragement of learning, by vesting its proceeds in the Literary Fund, and, by a late act, has appropriated $ 50,000 of it to the equipment of the University for its immediate commencement. The latter act, will, at least, justify us in pressing this claim to the earliest possible adjustment, as the money will be immediately in requisition by the visitors of the University, and is indispensable to the successful execution of their measures.

With great respect,
Your very obedient servant,

C. JOHNSON.

JAMES PLEASANTS, JR. ESQ.
Governor of Virginia.

DEBT of $ 200,000 *contracted with the Farmer's Bank of Virginia, under an act of* 18*th Nov.* 1814, *at* 7½ *per cent.*

		Amount received.	Interest paid.	Principal paid.
1814, Nov. 18	Cash received - - - - -	$ 200,000 00		
1815, Feb. 13	Cash paid to the bank by the Treasurer - -	-	-	$ 30,876 00
April 15	Do. do. do. - -	-	-	15,000 00
May 18	Warrant, for interest to this day, after deducting credit	-	6,827 43	
June 15	Paid to the bank - - - - -	-	-	42,123 98
July 15	Do. - - - - - -	-	-	48,000 00
25	Do. - - - - - -	-	-	20,000 00
Oct. 20	Do. - - - - - -	-	-	44,000 00
21	Warrant, in full of interest - - - -	-	2,511 56	
	Dolls.	200,000 00	9,338 99	200,000 00

DEBT of $ 800,000 *contracted with the Farmers' Bank of Virginia, under an act of 29th December,* 1814, *at 7 per cent.*

		Amount received.	Interest paid.	Principal paid.
1815, Jan. 1	Cash received - - - - - -	$ 200,000 00		
23	Do. - - - - - -	200,000 00		
Feb. 18	Do. - - - - - -	150,000 00		
April 5	Do. - - - - - -	100,000 00		
May 24	Do. - - - - - -	100,000 00		
July 1	Do. - - - - - -	50,000 00		
1	Warrant for six months' interest on $ 200,000 - -	-	$ 7,000 00	
25	Do. do. do. 200,000 - -	-	7,000 00	
Aug. 18	Do. do. do. 150,000 - -	-	5,250 00	
Oct. 5	Do. do. do. 100,000 - -	-	3,500 00	
Nov. 11	Paid by the Treasurer - - - -	-	-	200,000 00
24	Do. - - - - - -	-	-	200,000 00
24	Do. - - - - - -	-	-	100,000 00
24	Warrant for six months interest on $ 100,000 - -	-	3,500 00	
28	Paid by the Treasurer - - - -	-	-	80,000 00
1816, Jan. 5	Warrant for interest on $ 200,000 from 1st July, to 11th November, 1815 - - - - -	-	5,055 55	
23	Paid by the Treasurer - - - -	-	-	20,000 00
24	Do. - - - - - -	-	-	60,000 00
24	Warrant for interest on $ 200,000 from 23d July, to 20th November, 1815 - - - - -	-	4,588 88	
March 2	Paid by the Treasurer - - - -	-	-	140,000 00
2	Warrant in full of interest - - - -	-	8,784 97	
	Dolls.	800,000 00	44,679 40	800,000 00

DEBT of $536,052 19, *contracted with the Farmers' Bank of Virginia, under an act of* 10*th January*, 1815.

		Amount received.	Interest paid.	Principal paid.
1815, July 24	Cash received - - - - - -	$ 50,000 00		
Aug. 14	Do. - - - - - -	50,000 00		
Oct. 10	Do. - - - - - -	50,000 00		
Nov. 22	Do. - - - - - -	50,000 00		
Dec. 21	Do. - - - - - -	50,000 00		
1816, Jan. 18	Do. - - - - - -	50,000 00		
Feb. 8	Do. - - - - - -	50,000 00		
22	Do. - - - - - -	50,000 00		
March 2	Do. - - - - - -	36,052 19		
April 1	Do. - - - - - -	50,000 00		
May 16	Do. - - - - - -	50,000 00		
1816, March 2	Principal paid - - - - -	-	-	$ 36,052 19
May 3	Warrant for interest to the 1st April, 1816 - -	-	$ 8,478 06	
April 6	Principal paid - - - - -	-	-	23,424 26
23	Do. - - - - - -	-	-	50,615 00
24	Do. - - - - - -	-	-	46,000 00
May 11	Do. - - - - - -	-	-	14,952 65
17	Do. - - - - - -	-	-	11,963 52
21	Do. - - - - - -	-	-	12,028 21
22	Do. - - - - - -	-	-	130,000 03
27	Do. - - - - - -	-	-	10,000 32
30	Do. - - - - - -	-	-	40,000 00
June 4	Do. - - - - - -	-	-	12,279 74

STATEMENT—Continued.

1816, June 13	Principal paid - - - - - -	-	-	$21,000 51
17	Do. - - - - - -	-	-	19,169 10
25	Do. - - - - - -	-	-	20,314 70
26	Do. - - - - - -	-	-	50,000 00
29	Do. - - - - - -	-	-	38,251 96
July 30	Warrant in full for interest - - - -	-	4,242 60	
	Dolls.	536,052 19	12,720 66	536,052 19

Debt of $6,200, *contracted with the Literary Fund, under the last mentioned act, at* 8 *per cent.*

1815, Feb. 4	Cash received - - - - - -	6,200 00		
July 21	Warrant for one quarter interest to 4th May, 1815 -	-	124 00	
1816, Mar. 15	Do. three do. 4th Feb. 1816 -	-	372 00	
Oct. 18	Do. two do. 4th Aug. 1816 -	-	248 00	
1817, March 3	Do. two do. 4th Feb. 1817 -	-	248 00	
Aug. 14	Do. two do. 4th Aug. 1817 -	-	248 00	
Nov. 5	Do. in full of do. - - -	-	106 08	
5	Do. in payment of certificate for - -	-	-	6,200 00
	Dolls.	6,200 00	1,346 08	6,200 00

DEBT of $ 100,000, *contracted with the Farmers' Bank of Virginia, under the last mentioned act.*

		Amount received.	Interest paid.	Principal paid.
1816, July 27	Cash received - - - - -	50,000 00		
Sep. 2	Do. - - - - - -	50,000 00		
21	Principal paid - - - - -	-	-	10,000 00
Oct. 9	Do. - - - - - -	-	-	15,983 62
15	Do. - - - - - -	-	-	10,002 99
19	Do. - - - - - -	-	-	23,406 93
22	Do. - - - - - -	-	-	16,188 69
24	Do. - - - - - -	-	-	23,357 55
26	Do. - - - - - -	-	-	1,060 22
Nov. 19	Warrant in full for interest - - - -	-	1,033 37	
	Dolls.	100,000 00	1,033 37	100,000 00

B.

STATEMENT shewing the balances remaining in the Treasury of Virginia, at the end of each fiscal year, from 1799 *to* 1812, *inclusive.*

TREASURY OFFICE OF VIRGINIA,

RICHMOND, 12*th February*, 1824.

From an examination of the accounts kept in this Department, the following balances appear to have remained in the Treasury Office, at the termination of each Fiscal year, from the 30th September, 1799, to the 31st December, 1812, each day inclusive, viz:

On the	30th Sept.	1799,	the sum of - -	$ 109,773 01
"	30th Sept.	1800,	do - -	96,290 63
"	30th Sept.	1801,	do - -	96,722 65
"	30th Sept.	1802,	do - -	87,521 57
"	30th Sept.	1803,	do - -	161.641 79
"	30th Sept.	1804,	do - -	124.958 98
"	30th Sept.	1805,	do - -	128 700 40
"	30th Sept.	1806,	do - -	122.463 62
"	30th Sept.	1807,	do - -	137.539 88
"	30th Sept.	1808,	do - -	86.822 38
"	31st Decem.	1809,	do - -	141,391 20
"	31st Decem.	1810,	do - -	146.337 10
"	31st Decem.	1811,	do - -	168.214 25
"	31st Decem.	1812,	do - -	212,440 21

JERMAN BAKER.
Treasurer of the Commonwealth of Virginia.

No. 1.

DR. *The United States to the Commonwealth of Virginia.*

For interest paid on loans, negotiated to defray such expenses of the late war as have since been acknowledged to be proper charges against the government of the United States.

Paid to the Bank of Virginia, one year's interest on the loan of $350,000, from 29th March, 1813, to 29th March, 1814, at 6 per cent. - - -	$21,000 00
Paid on the same claim, interest at the rate of 7 per cent. per annum, from 29th March, 1814, to 7th November, 1816, 2 years, 7 months, 8 days - -	63,836 10
Paid on $325.000, (the balance of the $350,000, after deducting $25,000, redeemed on the 7th Nov. 1816,) 7 per cent. from 7th Nov. 1816, to 8th Dec. 1817, 1 year, 1 month, 1 day - - - - -	24,709 02

No. 2.

STATEMENT, shewing, from time to time, the amount of moneys borrowed by the Commonwealth of Virginia, during the late war, on which she has been paying interest, exclusive of the $313,665 68, part of the loan of $400,000, applied to the payment of the States' quota of direct tax: also, shewing the probable amount of advances, by the Commonwealth, to the United States, at corresponding times.

DATE	Sum borrowed.	Sum refunded.	To or from whom.	Amount bearing interest.	Amount advances to the United States.	REMARKS.
1813, March 29	$350,000 00	- -	Bank of Va.	$350,000 00	Between 30 000 and 90,900 00	The account of this commonwealth against the United States, for advances, commenced with the war. On the 18th October, 1812, it amounted to $17,751 37. On the 26th February, 1813, to $31,683 09. On the 24th May, 1813, to $94,847 88. On the 14th December, 1813, to $382,141 78. Early in February, 1814, to $444,049 56. On the 4th November, 1814, to $913,599 51; subject to a credit of $100,000, paid in Treasury notes. In the end, it amounted to at least $1,781,330 01, that sum having been liquidated and paid at the Treasury of the United States. As the war ended early in 1815, we may suppose that the whole, or nearly the whole expenditure, accrued by the end of that year. See the annexed statement.
1814, February 4	86,334 32	- -	Farmers' Bank	436,334 32	About 450,000 00	
Do. November 18	200,000 00	- -	do	636,334 32	Upwards 800,000 00	
1815, Jan. 1 & 23	400,000 00	- -	do	1,036,334 32		
Do. February 4	6,200 00	- -	Literary Fund	1,042,534 32		
Do. do. 13	- -	30,876 02	Farmers' Bank	1,011,658 30		
Do. do. 18	150,000 00	- -	do	1,161,658 30		
Do. April 5	100,000 00	- -	do	1,261,658 30		
Do. do. 15	- -	15,000 00	do	1,246,658 30		
Do. May 24	100,000 00	- -	do	1,346,658 30		
Do. June 15	- -	42,123 98	do	1,304,534 32		
Do. July 1	50,000 00	- -	do	1,354,534 32		
Do. do. 15	- -	48,000 00	do	1,306,534 32		
Do. do. 24	50,000 00	- -	do	1,356,534 32		
Do. do. 25	- -	20,000 00	do	1,336,534 32		
Do. August 14	50,000 00					
Do. October 10	50,000 00	- -	do	1,436,534 32		
Do. Do. 20	- -	44,000 00				
Do. November 11	- -	200,000 00	do	992,534 32		
Do. do. 20	- -	200,000 00				
Do. do. 22	50,000 00	- -	do	1,042,534 32		
Do. do. 24	- -	100,000 00	do	862,534 32		
Do. do. 28	- -	80,000 00				
Do. December 21	50,000 00	- -	do	912,534 32		
1816, January 18	50,000 00	- -	do	962,534 32		
Do. do. 23	- -	20,000 00				
Do. do. 24	- -	60,000 00	do	882,534 32		
Do. February 8	50,000 00					
Do. do. 12	50,000 00	- -	do	982,534 32		
Do. March 2	- -	176,052 19				
Do. do. 2	56,052 19	- -	do	842,534 32	1,081,330 01	
Do. April 1	50,000 00	- -	do	892,534 32		
Do. do. 6	- -	23,424 86				
Do. do. 23 & 24	- -	96,615 00	do	772,495 06		
Do. May 11	- -	14,952 65	do	757,542 41		
Do. do. 16	50,000 00	- -	do	807,542 41		
Do. 17, 21, 22, 27, 30	- -	203,991 73	do	603,550 68	1,081,330 01	
Do. June	- -	161,015 50	do	442,535 18		
Do. July	50,000 00					
Do. September	50,000 00	- -	do	592,535 18		
Do. October	- -	100,000 00	do	442,535 18		
Do. November 7	- -	25,000 00	do			
Do. do. 7	- -	25,000 00	Bank of Va.	392,535 18	731,330 01	
1817, November 4	- -	55,000 00	Farm's Bank			
Do. do. 5	- -	6,200 00	Literary fund	349,535 18	481,330 01	
Do. do. 26	- -	2,000 00	Bank of Va.			

From 4th November, 1814, to 29th February, 1816, the advances increased from $815,599 51 to $1,681,330 01

STATEMENT shewing the amount of advances by the Commonwealth of Virginia to the United States, at different periods, from the commencement of the late war, to the 22d January, 1823.

1812, October 18	At this date the whole amount claimed, as per account rendered to the War Department, was - - - - - - - -	$17,751 37
1813, February 26	Whole amount, as per account also rendered to the Department of War - - - - - - - - -	31,683 09
Do. May 24	Whole amount, as per account then rendered to that Department - - - - - - - - -	94,847 88
Do. December 14	Whole amount, as stated by the Committee of the House of Delegates, in their Report of 11th February, 1814, page 136 of Journal - - - - - - - - -	
1814, February	Whole amount, as stated in the above mentioned report - - - - - - - - -	382,141 78
Do. November 4	Whole amount, as stated by the Governor in his communication to the Assembly, page 50 of the journal of 1814-15. -	444,049 56
	This amount is subject to a credit of $100,000, paid in Treasury notes, by order of the President, at the earnest solicitation of one of the Executive Council, Dr. Everette.	913,599 51
1815, December.	As the war ended in February of this year, we must suppose that most of the advance, subsequently to the 4th November, 1814, had accrued in the early part of the year 1815, and that the whole, or very nearly the whole, had accrued by the end of that year. The whole sum settled at the War Department, and paid at the Treasury of the United States, being $1,781,330 01, and the only part of that which had been refunded before the end of the year 1815, being the $100,000 in Treasury notes, mentioned above, we may set down the whole amount of advance at this date, at - - -	1,681,330 01
1816, February 29	$150,000 being then paid, leaves - - - - - - - - -	1,531,330 01
Do. March 2	250,000 paid - - - - - - - - -	1,281,330 01
Do. do 7	200,000 paid - - - - - - - - -	1,081,330 01
Do. November 7	350,000 paid - - - - - - - - -	731,330 01
1817, May 18	250,000 paid - - - - - - - - -	481,330 01
Do. December 8	200,000 paid - - - - - - - - -	281,330 01

This balance extinguished, as appears in the note at the foot of the statement of the interest account.

Paid to the Farmers' Bank of Virginia, on $86,334 32, part of the loan of $400,000, negotiated under the act of 1st February, 1814, interest at 7 per cent. from 4th February, 1814, to 8th December, 1817, 3 years, 10 months, 4 days - - - - -	23,233 47
Paid the Farmers' Bank, in 1815, on the loan of $200,000, negotiated under the act of 18th November, 1814, at 7½ per cent. - - - - -	9,338 99
Paid the Farmers' Bank, from July, 1815, to March, 1816, on the loan of $800,000, negotiated under the act of 29th December, 1814, at 7 per cent. - -	44,679 40
Paid the Farmers' Bank, in May and July, 1816, on $536,052 19, borrowed under the act of 10th January, 1815, at—— per cent. - - - -	12,720 66
Paid the Literary Fund, from July, 1815, to November, 1817, on $6,200, borrowed under the last mentioned act, at 8 per cent. - - - - -	1,346 08
Paid the Farmers' Bank in November, 1816, on $100,000, borrowed under last mentioned act - -	1,033 37
Paid the Bank of Virginia, on $281,330 01, from the 8th December, 1817, to 17th August, 1818, 8 months, 9 days - - - - - -	13,621 05
Paid the Bank of Virginia, on $134,830, from 17th August, 1818, to 18th May, 1819, 9 months, 1 day, at 7 per cent. - - - - - -	7,104 79
Paid the same, on $88,315 39, from 18th May, 1819, to 10th March, 1820, 9 months, 22 days, at 7 per cent.	4,914 35
Paid the same, on $42,710 49, from 10th March, 1820, to 4th May, 1821, 1 year, 1 month, 24 days, at 7 per cent.	3,438 15
Paid the same, on $12,710 49, from 4th May, 1821, to 29th April, 1822, 11 months, 25 days, at 7 per cent.	877 38
Paid the same, on $6,841 50, from 29th April, 1822, to 22d January, 1823, 8 months, 23 days, at——per cent.	349 86
	$232,702 67

Note.—In this statement there is charged to the United States, all the interest which accrued up to the 8th December, 1817, on the loans negotiated by this commonwealth during the war, except the interest on $313,665 68, part of the loan of $400,000, made by the Farmers' Bank.

This sum of $313,665 68, is not brought into this account, because it was applied to the payment of the State's quota of the direct tax.

The period of 8th December, 1817, is assumed as the proper period to which to charge *all* the other interest; because, until that time, Virginia was in advance to the United States, constantly, a greater sum than that for which all the other interest was paid.

Taking the whole sum which has been liquidated and paid by the United States, as the criterion of the advances of this commonwealth, it will appear.

That the whole advances were - -	$1,781,330 01
Of which there were paid, at various times, from November, 1814, to the 8th December, 1817, -	1,500,000 00
Leaving then a balance of - -	281,330 01

This balance, being less than the amount of loans on which Virginia has since been paying interest, instead of charging the whole interest paid by her since that period, there is only charged, in this statement, the interest on so much of the loan as is equivalent to the balances remaining due to the commonwealth, from time to time. This will be seen by attending to the manner in which the above balance was extinguished, which is as follows:

1818, Aug. 1, 17—By cash - - -	146,500 00	
	134,830 01	
1819, May 18—By cash - - - -	46,514 62	
	88.315,39	
1820, March 10—By cash - - -	45,604 90	
	42,710 49	
1821, May 4—By cash - - - -	30,000 00	
	12,710 49	
1822, April 29—By cash - - - -	5,868 99	
	6,841 50	
1823, January 22—By cash - - -	6,841 50	

Amount of Moneys refunded by the General Government to the State of Virginia.

1814.	Nov.	16,	$100,000	
1816.	Feb.	29,	150,000	
"	Mar.	2,	250.000	
"	"	7,	200.000	
"	Nov.	7,	350,000	
1817.	May	18,	250,000	
"	Dec.	8,	200,000	
1818.	Aug.	17,	146,500	
1819.	May	18,	46,514	62
1820.	Mar.	10,	45.604	90
1821.	May	4,	30,000	
1822.	April	29,	5,868	99
1823.	Jan.	22,	6,841	50
			$1,781.330	01

Letter from the President of the Bank of Virginia, stating the amount of moneys loaned by that Bank to the State.

BANK OF VIRGINIA,

March 17, 1824.

I hereby certify that the Treasurer and Auditor of the Commonwealth of Virginia borrowed of this Bank, on the 26th of March, 1813, under an act of Assembly, passed on the 22d February preceding, entitled "An act authorizing a loan for the support of Government," the sum of three hundred and fifty thousand dollars, at the rate of *six* per cent. per annum; and that the same sum of $350,000, was re-loaned to the Commonwealth, at the rate of *seven* per cent. per annum, from the first day of February, 1814, under an act of Assembly, passed on the 24th of January, 1814, entitled "An act for extending the charter of the Bank of Virginia, and for other purposes."

JOHN BROCKENBROUGH,
President of the Bank of Virginia.

LOANS made by the FARMERS' BANK of VIRGINIA to the Commonwealth of Virginia, from February 14, 1814, to the end of the year 1816.

1814. February 21.	Loan under act of Assembly, of 1st February, 1814, at 7 per cent. -	$ 400,000
Novem. 19.	Do do 18th Novem. 1814, at 7½ do -	200,000
	Do do 29th Decem. 1814, at 7 do paid from January to July, 1815, per settlement with auditor, - -	800,000
	Loan made at 6 per cent. under act of Assembly, of 10th January, 1815, authorizing a loan for $1,100,000; advanced, as per settlement with auditor, in the years 1815, and 1816, - - - - - -	636,052 19
		$2.036,052 19

The above Loans were reimbursed at the following periods:

1815.	February, - - - - - -	$30,876 02	
"	April, - - - - - -	15,000	
"	June, - - - - - -	42,123 98	
"	July, - - - - - -	68,000	
"	October, - - - - - -	44,000	
			$200,000
"	November, - - - - - -	580 000	
1816.	January, - - - - - -	80.000	
"	March, - - - - - -	140,000	
			800,000

1816.	March, - - - - - -	$ 36,052 19	
"	April, - - - - - -	120 039 26	
"	May, - - - - - -	218.944 73	
"	June, - - - - - -	161.016 01	
"	September, - - - - - -	10,000	
"	October, - - - - - -	90,000	
			636,052 19

The Stock, for the loan of $ 400,000, was sold by the Bank, before any part of it was redeemed by the State.

FARMERS' BANK OF VIRGINIA, 19*th March*, 1824.

WM. NEKERVIS, *Cashier.*

87.

WASHINGTON, *April* 2, 1824.

JAMES MONROE,

President of the United States.

SIR: In the character of a Visitor of the University of Virginia, I beg leave to submit to your consideration a few remarks. on a subject in which that institution is deeply interested. I allude to the unsatisfied balance still due to the state of Virginia. on account of advances made by that state to the Government of the United States, during the prosecution of the late war.

The Legislature of Virginia, at the session recently terminated, passed an act. whereby it appropriated. for the purpose of procuring the requisite library and apparatus for the University of the state, the sum of fifty thousand dollars: to be paid out of the first moneys which might be received from the General Government in further discharge of the debt still due to the commonwealth. The Visitors of the University are required by law to assemble on the first Monday in April; and one of the first objects of the meeting is to make such preliminary arrangements as may be necessary for procuring suitable professors, and for putting the institution into speedy and successful operation. The importance of the appropriation recently conferred by the legislature of Virginia, in the dawn of such an establishment, is too apparent to require the support of argument. or the aid of elucidation. Suffice it to say, that it is calculated to excite feelings of the most heartfelt interest, among all the friends of science and literature. and to none can it be an object of more lively solicitude, than the distinguished individuals with whom I have the honor to be associated at the Board of Visitors.

By the act to which we are indebted for this beneficent appropriation, it is provided, that, so soon as satisfactory assurances shall reach the Board of Public Works in Virginia. that the claim of the state on the Government of the United States. will ultimately be available to the amount of the appropriation, that Board will have authority to anticipate the payment, by lending to the Rector and Visitors of the University an equivalent amount, out of a fund set apart in that state, and consecrated to the purposes of internal improvement.

You must be sensible. sir. that. next to a successful issue, nothing can be more desirable than a prompt decision of this interesting question. I am not informed as to the degree of evidence which will be satisfactory to the Board of Public Works in Virginia. with regard to the ultimate validity of the claim. I take it for granted, however, that a decision of one branch of the General Government in favor of the justice of the claim, and the want of nothing but an act of appropriation by another department of that Government. will be sufficient to satisfy that Board that there is no necessity to postpone the loan, at the expense of the best and dearest interests of Virginia. It is not to be presumed, that the requisite appropriation will not be made, by

the Congress of the United States, to satisfy any fair claim on the justice and good faith of the Federal Government.

My object, therefore, Sir, is to invite your attention to this subject, with as little delay as your convenience will permit: and, pending the unavoidable delays of legislation, to procure from you such an expression of opinion on the merits of our claim, as will satisfy the Board of Public Works in Virginia that it will ultimately be established to an amount sufficient to fulfil the appropriation recently made to the University of Virginia.

It is proper that I should state, on the threshold, for your information, that I have no authority to make the present application, expressly delegated to me by the Board of Visitors of the University: nevertheless, I am so thoroughly persuaded that, in so doing, I shall be acting in conformity to the sentiments and views of all its members, that I do not hesitate to take upon myself the responsibility of the measure.

The merits of the claim of Virginia, accompanied by a statement of its present amount, and its details, will probably be presented to your view, through the regular organs of the state, with a degree of force and clearness infinitely beyond any thing which I can say upon the subject. Yet, as the question of its ultimate validity is one on which now mainly depends the prosperity of a most beneficent institution, whose interests are partly confided to my care, I trust, Sir, that I may venture, without the appearance of officious arrogance, to suggest such arguments as occur to my recollection, in behalf of this claim, tending to recommend it to a favorable reception on the part of the Government of the Union.

You are aware, sir, that, with the exception of a small sum of principal, still suspended for the want of regular vouchers, the existing claim of Virginia is a claim for interest on the sums advanced to the General Government by the state, for, and on account of, expenditures incurred in its necessary defence, during the progress of the late war. What proportion of this claim consists of interest actually paid by the state, on loans negotiated to defray the expenses of the war, I am not exactly informed; but, as I know that the amount is more than sufficient to satisfy the appropriation to the University, and as I consider this part of the claim as standing on higher ground than the residue, I would wish you to regard it as the exclusive subject of my present application.

It appears, then, from the present state of the claim, that the success of the appropriation to the University of Virginia depends essentially on the recognition by this Government of the principle, that, in certain cases, it is bound to refund the interest paid for moneys borrowed and expended for its benefit and accommodation, without previous authority expressly given by the Government.

To this principle, I understand, there are two objections:

First. It is alleged to be contrary to the established usage of the Government.

Secondly. The usage is believed to be founded in good policy.

First. In regard to the usage of the Government, I beg leave to remark, that it is not a usage to which the Government has uniformly, and invariably, adhered. Probably, upon investigation, it would appear that there had been several exceptions. Permit me to invite your attention to some exceptions which, if I am not incorrectly informed, took place, in regard to certain western contractors, during the period of time that the present Secretary of the Treasury superintended the Department of War. Whether the rule be, or be not, founded in good policy, it would seem, therefore, that there are cases of departure, warranted, in the opinion of the Government, by the existing laws of the United States.

Secondly. The usage, it is alleged, is founded in good policy, and ought not to be changed. I have sought for information as to the reasons on which this usage is bottomed; and I understand that the principal, if not the only reason, is, that the Government of the United States is supposed to be at all times ready to meet its engagements, and that the payment of interest would furnish an inducement to the public creditors to hold up their claims, and thereby prevent the timely liquidation of accounts, and the regular discharge of the public debts.

It is not my purpose, Sir, to discuss the merits of the usage, as a general system of policy; nor to attempt to disprove the general verity and soundness of the reason by which it is supposed to be justified and supported. My object does not require it; and I would not presumptuously intrude upon discussions not necessarily connected with my subject. My purpose simply is, to endeavor to demonstrate, to your satisfaction, that the reason alleged in support of the existing usage of the Government, does not apply to the claim of Virginia; and, consequently, that this claim constitues a fit subject for an exception to the rule.

There are, Sir, various grounds on which I could contend, that the prevailing usage of the Department of War should not be applied to the claim of Virginia, for a reimbursement of the interest actually paid by the state. But the one on which I propose now to rely, is, that of the liberal conduct of Virginia towards the Government of the U. States from the commencement to the conclusion of the war.

I shall not pretend, Sir, to enter into a comprehensive and complete history of the situation and conduct of the state of Virginia, throughout the period to which I allude. This subject, in its outline, and most of its details, is already known, and in the possession of the Government. That part of the conduct of the state, to which I wish particularly to draw your attention, is, the course pursued by the General Assembly, on the subject of the advances to the General Government, and, more especially, in regard to the very interest which forms the basis of my present application. There are some circumstances, connected with the latter branch of the subject, which bear, in my opinion, with direct and peculiar force, on the question now under consideration.

The liberal spirit towards the Government of the Union, which

was always felt, and uniformly displayed by the General Assembly of Virginia, will be best illustrated by reference to some conspicuous and forcible examples.

One of these took place at the close of the session of 1813 '14.

What, at that time, was the situation of Virginia?

Upwards of a year had elapsed since the enemy's fleet had entered the Chesapeake. Our commerce was cut off: our agriculture benumbed: our resources, both public and private, greatly curtailed. A powerful British squadron rode triumphant in our waters. Our maritime towns were threatened with conflagration. The slave population were instigated to rebellion. In despite of the exertions of a vigilant executive, and a brave militia, ever ready to meet the foe, the enemy having command of our waters, and choosing his points of attack, invaded our shores, and extended his ravages along the extensive line of our eastern borders. It was the avowed object of the enemy, to make Virginia feel the worst effects of a war, of which she had been one of the earliest, most steadfast, and decided advocates. Harassed by difficulties, foreign and domestic, the Government of the United States was unable to fulfil its own patriotic intentions, and to meet the exigencies of an extended empire. True to herself, and faithful to the Union, the state of Virginia, from the first moment of invasion, put forth her resources with a liberal and unsparing hand. From the most remote extremities of her territory, her citizens marched, at the call of the law, to the defence of any, and of every part of this extensive empire. In addition to the ordinary expenses of her Government, the state, by taxes, and by loans, augmented her military contingent fund, and, on all occasions, was ready to anticipate, or to support the Government of the Union. The experience of the past, and the prospect of the future, equally pointed to the policy of husbanding her peculiar resources, and of providing, by every possible expedient, for the defence of her maritime borders, against a powerful enemy, during a war of indefinite continuance.

This rapid sketch will suffice to recal to your view the position of the state of Virginia, at the close of the winter of 1814.

In such a situation, the financial relations of the state filled with inquietude the minds of some of her most respectable citizens. The abortive attempts theretofore made, through the executive branch of the Government, for the purpose of effecting an adjustment of our account, produced, as was admitted by all, from a want of neither zeal nor ability, in the agency which had been employed, gave rise to the idea of enlisting the weight and authority of the General Assembly of Virginia on the side of an immediate settlement and discharge of the debt.

From these considerations the accompanying preamble and resolutions, presenting a lucid view of the claims of the state, and authorizing the appointment of commissioners, and convenient and accommodating terms of payment, were introduced into the House of Delegates by a distinguished member of the body, passed unanimously, and sent up to the Senate.

In an animated and protracted debate, which arose in the Senate, on this occasion, all the bearings of the proposed resolutions, as well upon the interests of the state of Virginia, as upon those of the Government of the United States, were fully developed to the view of the Body. They were advocated upon the ground, that such a settlement, and such terms of payment, as those which were authorized by these resolutions, were necessary to the state, and would be advantageous to both the Governments. They were opposed upon the ground, that, although the terms of payment were accommodating to the Government of the United States, and reimbursement was desirable to the state, yet the measure, for various reasons, was not necessary, and might be productive of inconvenience to the General Government.

On this occasion, the question of interest upon our advances to the General Government, was brought distinctly into view. And although it was contended, on the side of the advocates of the measure, that the apprehensions entertained of the hostile aspect under which it would exhibit the General Assembly of Virginia, in its relations to the General Government, were not justified by its character or tendency; and although it was attempted to be shewn that the fears were visionary, which were suggested as to the inconvenience that a demand of the interest might bring upon that Government, nevertheless, views of a very opposite description were zealously and confidently expressed by those members of the Senate who rose on the side of the opposition. It was stated, most earnestly, by the opponents of the measure, among many other arguments, "that it would have the aspect of arraying the state of Virginia against the General Government, which would produce an injurious impression in the other states, and on the enemy; that a distinction ought to be drawn between the ultimate security of our claim, and its immediate discharge; that we should, by moving at this time, move all the creditor states, whose claims might not be as small as they were represented; that, although Virginia might be willing to take stock, the other states might insist on immediate payment in full; that, even if they should be willing to take stock, the necessity of providing for the interest, *at the existing crisis*, might embarrass the General Government, or call for additional taxes, or affect the success of the loan of $25,000,000; that our peace establishment, and the interest of the public debt, already amounted to $12,000,000, and our revenue, only to $10,000,000; that the revenue, on the side of the customs, would fall off, while the internal revenue could not be augmented without difficulty; and, *that the amount of our claim had been funded, and there was no necessity, at this time, to press for payment on the General Government.*"

In despite of all the efforts of eloquence and of argument, the preamble and resolutions were rejected in the Senate. The subject attracted considerable attention at the time: and that the grounds here stated were mainly relied upon by the majority of the Senate, reference might be had, if necessary, to the author of the resolutions,

now a distinguished member of the House of Representatives, and to the Attorney General of the United States.

In the present prosperous state of the national finances, it is difficult to conceive the state of things which could justify such a course of argument and such vindication. Nevertheless, the history of the times will furnish the defence of the Senate.

Having been a member at this period, and having participated in the rejection of this measure, I have a right to know the motives by which we were governed; and I can confidently affirm that, whatever may be the opinion now entertained of the direction then given to the fiscal concerns of the state, the spirit which guided our deliberations was no other than an affectionate and respectful solicitude for the financial credit of the Union, an anxious desire to avoid every possible appearance of distrust or apprehension on the part of the legislature of Virginia, and a firm determination to support the National Government to the utmost extent of our ability; never doubting for a moment but that, at the first period of convenience, all our accounts would be fairly settled, and all our advances of principal and of interest would be amply and honorably reimbursed.

We were aware, Sir, it is true, that the Executive of the state had sent, and might again send forward, agents to liquidate the accounts; and that our delegation in Congress would not forget the peculiar interests of the state which they represented: nevertheless, we were equally sensible that, in communicating through the ordinary channels of Executive agency, the important point—*the time of reimbursement*—would more completely lie at the discretion of the Government; and that our delegation in Congress, constituting as they did a part of the national legislature, could not and would not, by any indiscreet or untimely movement, cripple the credit of the Federal government, and thereby impair its ability to sustain the war, to the declaration of which they had themselves been mainly instrumental.

Permit me now, Sir, to request your attention to that part of the claim of Virginia which is founded on a loan made by the Executive of the state, in the month of September, 1814, and subsequently sanctioned by the General Assembly. It would seem to me that the interest paid by the state on the loan which was then negotiated, fastens itself with irresistible force on the justice and good faith of the Government of the Union. The very impressive circumstances under which this loan was effected, deserve well to be recalled to your recollection.

The metropolis of the Union had just fallen under the arm of the invader, and the capital of the nation had been wrapt in flames. Flushed with victory, and exulting in the trophies recently won at our expense, the British army was descending to the Chesapeake, and threatened to strike at the metropolis of Virginia. The crisis called for vigorous measures. With a promptitude and energy demanded by the occasion, the Governor of Virginia called upon the people of the state to rally to his standard, and meet the expected

invaders. An increasing army was rapidly thrown between the metropolis of Virginia and the shores of the Chesapeake. On the 1st September, 1814, this impressive letter is sent to the Governor of Virginia by Mr. Monroe, then Secretary of War:

"The enemy have embarked on board their vessels on the Patuxent, and will, as I presume, in execution of their desolating system, proceed immediately to some other of our principal towns. Norfolk is known to be one on which they have fixed their attention. Baltimore and Richmond are others: against which they will move, in the first instance, will not be known till they land their men in a marked direction towards it. Be on your guard, prepared at every point, and in all circumstances, to repel the invaders."

Was it possible for the Federal Government to make a more powerful call upon the forces of the state? Had the Governor of Virginia turned a deaf ear to a warning like this, would he not have acted the part of a traitor? At a crisis like this, our state treasury is exhausted, not even a dollar remaining. The United States are unable to furnish either supplies or money to meet the crying emergencies of the moment; funds must be obtained, or the forces disbanded, and the country thrown open to the invader.

It was in this embarrassed situation that I found the Governor of Virginia, in my first interview with him, after my arrival at his head quarters. Unfolding to me the dangers of the state, and pointing my attention to the Secretary's letter, he requested my co-operation, as a member of the Senate, in procuring the funds indispensably necessary to prevent the disbandment of the army. In compliance with his wishes I waited on the principal stockholders of the Farmers' Bank of Virginia, and, in the preliminary explanations which I made, in conformity to his instructions, I relied on the contents of the letter recently received from the Secretary of War. A loan of about $200,000 was subsequently effected through the regular organs of the state, and the Bank requiring the individual responsibility of the then Governor and Treasurer of the state, those officers did not hesitate at the condition demanded; relying for indemnity on the justice and magnanimity of their country. The legislature of Virginia, at its ensuing session, proceeded with promptitude to assume the responsibility of the debt; and the interest which was paid to the Bank, for money thus borrowed, as I may say, at the instance of this Government, constitutes a part of the claim of Virginia now submitted to your consideration.

Suffer me now, Sir, to invite your attention to the financial services of Virginia in the memorable winter of 1814 and '15. This was a period calculated to test the loyalty of the state to the Government of the Union. We then contended, single-handed, against a powerful foe. His fleets covered the Chesapeake. His canvass whitened on all the rivers of Virginia. Strengthened by victorious legions from the continent of Europe, the enemy waged a savage warfare, throughout the line of our Eastern frontier. Now spread out into predatory bands, he wasted the shores of the Chesapeake,

and steered his course on the midnight wave by the light of our flaming habitations. Next, concentrating his forces, he threatened the interior of the state, and menaced our principal towns and fortified positions. A brave militia, whose ranks had been recently thinned by the sultry suns of summer, next were wasted, by marches and countermarches, through the floods of autumn and through the snows of winter. The second year now hastened to its term, since the British fleet had entered the Chesapeake; and now the war seemed but just beginning with every prospect of indefinite duration. That I do not charge the picture with fictitious colours, I appeal, in my justification, to your own candid recollections.

At this critical stage of the contest, what was the situation of your military chest in Virginia? There were periods at which it was totally exhausted. Even the most inconsiderable claims were unavoidably postponed, for want of money, by the regular and authorized agents of your Government. Instances fell under my own observation.

What, permit me to ask, was the spirit which, at this time, reigned in the General Assembly of Virginia, that leading branch of our Government, at once the index to the feelings of the people, and the organ of its will? Did it murmur at the unequal pressure of the war; or of the want of adequate protection; or of the amount of its advances? Did it forfeit its pledges; or abandon its loyalty; or waver in its counsels; or oscillate in its course? Did it require the reimbursement of the million in arrears, or demand guarantees against unequal burthens for the future? Turn, I beseech you, to its records; and, once more, examine its course. No, Sir, our coffers were still open to you, and our advances still continued. When your funds fell short, we hastened to supply the deficiency. Wherever you appeared weak, we endeavored to add to your strength; wherever you seemed naked, we sought to draw a veil over your infirmities, and to hide them from the eyes of the enemy. To ensure the defence, to which we were clearly entitled, we again and again went into the market, and borrowed money; and funded the debts; and paid the interest; until, finally, at the close of the contest, the amount of our advances fell but little short of two millions of dollars. All descriptions of politicians; both houses of Assembly; all departments of the Government; enlightened citizens throughout the state—all—mingled in joint counsels, to devise the best means to supply the funds necessary to sustain the army, and to maintain the war. The barrier between the two governments appeared, for the time, to be prostrate. One common treasury seemed to exist between us.

In the midst of advances so heavy, and so well calculated to test the genuine feelings of the state, the General Assembly of Virginia continued to hold, to the last hour of the contest, this course of generous confidence, of delicate forbearance, of exalted devotion; turning a deaf ear to every proposition, however demanded by all the suggestions of ordinary prudence, which might be calculated, in the most distant manner, to draw into question the very amicable and

liberal relations that always existed between the two governments. As far, sir, as my recollection serves me, (for I write from memory, and without access or reference to all the documents on this subject,) it was not till some time after the storm was over, and your financial troubles at an end, that it adopted any resolutions whatsoever on this subject of its advances.

And I think myself warranted in declaring, that nothing could have been more grateful to the feelings of the people of Virginia, than to discover, in the event, how completely their confidence was justified. It was, I assure you, with the most cordial satisfaction, that we received from the present Attorney General of the United States his statement, of the very impressive manner in which he was met by the present Secretary of the Treasury, under the auspices of the whole cabinet at Washington. With a promptitude and decision which did honor to the Government, the whole amount of our principal debt, (with the exception of a small part not supported by proper vouchers) was unhesitatingly allowed, and immediately discharged. The impression made in the state of Virginia was, I assure you, of the most pleasing and durable character: equally honorable, in my humble estimation, to both the parties concerned.

Nor has any thing yet occurred, on the subject of our interest claim, to shake my convictions that it must, and will, eventually meet with the same liberal reception. This part of the claim, if I am not under a misapprehension, is now, for the first time, brought in regular form before the Government: and, perhaps, this furnishes the reason why its concomitant circumstances should heretofore have commanded so little of the public attention.

Having been a member of the General Assembly of Virginia, throughout the period of the late war, I think myself well informed of the genius of its counsels, and the spirit of its measures. Lest, however, I might labor under a delusion, I have made it my business to call on a distinguished member of the Senate, and of the House of Representatives, from Virginia, who bore a conspicuous part in the transactions of the times, and have ascertained that they unite with me in these recollections, and concur in the views which I now present to you.

Having requested your decision on this interesting question, I have considered this narrative due to the character of Virginia, and the justice of the Union.

I have the honor, sir, to be, with the highest consideration,

Your obedient servant,

JOSEPH C. CABELL.

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